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October 25, 2013

California Firearms Dealer

Re: New DROS Entry System

Dear California Firearms Dealer:

The purpose of this letter is to advise California firearms dealers that effective January 1, 2014, the Department of Justice (Department) will implement a new Dealer Record of Sale (DROS) Entry System (DES). Concurrently, the Verizon Business hosted DES will no longer be available to dealers after 10:59 p.m. on December 31, 2013. Furthermore, effective December 15, 2013, Verizon will stop accepting new enrollments for the Verizon Business hosted DES.

The Department's DES will provide improved access to historical transactions for dealers by increasing the available transaction history to 90 days, including access to DROS denial, delay, and rejection notices. This will require the Department to automatically transfer 90 days of past DROS transactions, submitted through the Verizon Business hosted DES prior to 10:59 p.m. on December 31, 2013, to the new Department hosted DES. This will enable dealers to deliver firearms after the 10-day waiting period. As a result of this transfer, there may be some instances where dealers will need to, once again, review DROS denial, delay, and rejection notices previously reviewed in the Verizon system prior to being able to submit new DROS transactions. The Department is working with Verizon to minimize the impact to dealers, while at the same time ensuring the integrity of the new DES.

Please be advised, long gun transactions received prior to January 1, 2014, will be transferred to the new DES, but will be displayed with very limited information, since long gun information has not been retained by the Department. Recent legislation (Pen. Code, §§ 11106, 26905) requires that effective January 1, 2014, DROS information regarding the sale or transfer of long guns (rifles and shotguns) be collected, reported and retained in the same manner as handgun DROS information, including descriptive firearm information.

The dealer enrollment and account set-up feature of the new DES will be operative on November 4, 2013, and available at https://DES.doj.ca.gov. At that time, dealers are encouraged to begin enrolling and setting up their accounts within the new DES. It is strongly recommended that dealers bookmark the DES link at the time of enrollment and account set-up;

this will facilitate access on January 1, 2014, and will avoid an interruption in DROS transactions.

To assist dealers with this transition, the Department has created a new DES User Guide, which will be available in the DES application and on the Department's website at http://oag.ca.gov/firearms.

The Department has also established a DES Customer Support Center to assist dealers with technical and billing questions regarding the new DES. Dealers will be able to contact the DES Customer Support Center hotline at 1-855-DOJ-DROS (1-855-365-3767) or once logged into the system, by clicking on the "Report an Issue" link that is available from any page of the new DES application.

Please note: The DES Customer Support Center hotline is not a public telephone number. It is specifically intended to assist dealers with their business needs. Do not disseminate the DES Customer Support Center telephone number to the public, as this will cause an influx of calls and hinder the Department's ability to assist dealers.

## Changes reflected in the new DES include the following:

- Dealers will have access to DROS status information, including when a DROS has been approved by the Department and is ready for delivery, as well as when a DROS has been delayed, denied, or rejected by the Department. This will include denied after delay, and approval after delay.
- Effective January 1, 2014, dealers will no longer receive telephone calls or letters from
  the Department notifying them of the status of a DROS. An exception will be in the
  event of an emergency, at which point the Department will make every effort to contact
  the dealer. As mentioned above, DROS status information will now be available on the
  DES and part of the DROS Delivery feature.
- On January 1, 2014, Assembly Bill 500 becomes effective and will limit the time a DROS can be delayed by the Department to a maximum of 30 days from the DROS transaction date. The 30-day limit will apply to all DROS transactions received by the Department on or after January 1, 2014. Dealers will continue to be advised of delays within 10 days but if the Department is unable to make a determination regarding the purchaser's eligibility to own/possess firearms within 30 days (i.e., thirty consecutive 24 hour periods from the DROS transaction date and time), Penal Code section 28220, subdivision (f)(4), authorizes dealers to immediately transfer the firearm to the purchaser/transferee. The law does not require dealers to transfer firearms under these circumstances, the option to complete the transfer is at the discretion of the dealer.

To facilitate processing of "Undetermined" DROS transactions, the new DES will include a new DROS status and DROS notification letter titled "Undetermined." When a DROS status is changed from "Delayed" or "Pending" to "Undetermined," dealers will

have 30 days from the date of the DROS status change to deliver the firearm to the purchaser/transferee in compliance with Penal Code section 26835, subdivision (e).

- DES will require dealers to click "Deliver Gun" to deliver a firearm. Accordingly, DES will automatically record the time and date the firearm was delivered, as well as the name of the DES User who delivered the firearm. Additionally, the system will display the earliest possible delivery date and will prohibit the option to click "Deliver Gun" unless the DROS has been approved and the 10-day waiting period is complete. As with the current system, there will be exceptions for exempted transactions. (See Section 9, of the DES User Guide for further details relative to the "Deliver Gun" feature.)
- Dealers will have up to 90 days after submission to view, reprint, cancel, or correct a DROS transaction.
- The Firearms Dealer Acquisition System (FDAS) will be incorporated into the DES.
  Consequently, the FDAS will no longer be available after 10:59 p.m. on December 31,
  2013. This upgrade will allow dealers with Pawnbroker or Secondhand dealer licenses to
  submit their firearm acquisition information in the DES and will eliminate the need to
  utilize a secondary website.
- DES will enable firearms dealers to submit their handgun acquisition information electronically via DES. This new feature will eliminate the submission of the Firearms Dealer's Report of Handgun Acquisition (BOF 4334) form by mail. Paper reports dated after December 31, 2013, will not be accepted by the Department.
- The DROS fee has been modified such that only one \$19 fee will be charged for all firearms being purchased or transferred at the same time to the same transferee. The \$5 Safety and Enforcement and \$1 Firearm Safety fees will be added to the \$19 DROS fee. As an example: a purchaser will be able to buy both a handgun and a long gun; add curio/relic and pawn redemption transaction; add a private party purchase of an additional handgun; and pay one \$19 DROS fee, one \$5 Safety and Enforcement and one \$1 Firearm Safety fees for a total of \$25. This is how the new DROS fee will be applied as long as all transactions are submitted by the dealer, at the same time, during the same transaction submission session using the new DES. If the dealer forgets to add a transaction during the original session, separate fees will be assessed to each transaction and the Department will not refund transaction fees resulting from dealer errors.
- Effective January 1, 2014, the Department will assume billing responsibilities. Dealers
  will receive their first invoice from the Department electronically via their DES account
  on February 1, 2014. Dealers will have 30 days from the date of invoice to pay the bill in
  full through the DES (see billing cycle chart in the DES User Guide). Monthly invoices
  can be viewed, saved, and printed through DES.

Payment options will be limited to major credit/debit cards (e.g. MasterCard, Visa, American Express, and Discover cards). Payment by cash or check will no longer be accepted.

Failure to pay the DES invoice in full by the due date will result in the suspension of the dealer's access to DES DROS submission and firearm delivery capabilities. This suspension extends to all dealerships that fall under the Certificate of Eligibility (COE) number for which the dealership was established. Once suspended, dealers will still have access to DES to pay the past due invoice – but they will not have access to DROS or Acquisition transactions, and will not be able to deliver guns. Once all past due invoices are paid in full, the dealer's DROS submission and firearm delivery capabilities will be restored immediately.

 Dealers will be able to use multiple web-browsers to access the DES, including but not limited to: Mozilla Firefox, Internet Explorer, Safari, Google Chrome, and others.

## Transitioning to the new DES

## Required enrollment in the new DES

As previously stated, access to the new DES will require dealer enrollment and account set-up. COE holders and all dealership sales staff must enroll in DES to obtain a valid user name and password prior to January 1, 2014, to avoid an interruption in DROS transactions after the transition (see Section 3 of the DES User Guide – Enrolling in DES). Enrolling in DES will be a one or two step process, depending on whether you are the dealership COE holder or an employee of the dealership. Enrollment and account set-up through the new DES will be available on November 4, 2013.

Important: DES will not allow employees to enroll until one of the dealership's COE holders has enrolled.

## DES Customer Support Center

The Department will not be conducting statewide dealer training associated with the implementation of the new DES. However, effective November 4, 2013, the DES Customer Support Center will be available to offer assistance with any issues that may arise during the enrollment and account set-up phase. During November 4, 2013 through December 31, 2013, DES Customer Support Center hours will be Monday – Friday, 8:00 a.m. – 5:00 p.m. Effective January 1, 2014, DES Customer Support Center hours will be 7:00 a.m. – 11:00 p.m., seven days per week.

# Billing

Verizon Business will forward the dealership's December billing invoice at the beginning of January 2014. Dealers may also receive subsequent invoices from Verizon Business, in February and March, in an effort to collect on unpaid balances. Dealers are strongly encouraged to pay any DROS fees owed to Verizon Business by the December statement closing date.

Should you have any questions regarding this letter, please contact the DES Customer Support Center hotline at 1-855-DOJ-DROS.

Sincerely

SPEPHEN J. LINDLEY, Chief

Bureau of Firearms

For KAMALA D. HARRIS Attorney General